



Contact: Connie Jackson, City Manager

Phone: (650) 616-7056

Cell: (650) 823-3262

Alex Doniach, Singer Associates

Phone: (415) 227-9700

Cell: (415) 806-8566

Email: [alex@singersf.com](mailto:alex@singersf.com)

6 May 2013

For Immediate Release:

## **PG&E Shareholders Should Pay \$2.25 Billion Fine for San Bruno Blast and Fire, City of San Bruno Files Claim with California Public Utilities Commission**

**San Francisco**—The City of San Bruno, the City and County of San Francisco and The Utility Reform Network today filed what they believe the penalties and fines for Pacific Gas & Electric Company should be for its gross mismanagement and failure to safely operate a gas pipeline in the San Bruno Explosion and Fire.

“The eyes of the nation are watching the CPUC to see whether it will provide leadership and levy appropriate fines against PG&E adequate enough to ensure they fulfill the public trust placed in them – or whether its cozy relationship with the utility company will interfere with the independent role it should play in safeguarding the public,” said San Bruno Mayor Jim Ruane.

This filing is the last stage in the almost three-year process following the Sept. 9, 2010 PG&E gas pipeline explosion, which ironically falls on the same day as PG&E holds its annual shareholders’ meeting in San Francisco.

The City of San Bruno today recommended fines and penalties of \$2.25 billion saying PG&E shareholders should foot the bill for the utility company’s gross negligence and failure to safely operate its gas pipeline system, which resulted in the death of 8 San Bruno residents, injuries to 66 and the destruction of 38 homes in the 2010 PG&E explosion and fire.

As part of total penalty package, the City said that PG&E shareholders should be fined at least \$1.25 billion, which would go to California's general fund. Shareholders should foot the bill for another \$1 billion in "disallowed costs" for PG&E's going-forward safety plan, and for "remedies" related to the disaster, such as payment for a pipeline safety trust, an independent monitor to make sure PG&E is making its pipelines safer, an emergency response fund and automatic shut-off valves.

"PG&E has said that it 'lost its way' and that it is taking the necessary steps to correct the deficiencies that resulted in the death of 8 persons and the leveling of 38 homes in San Bruno. But make no mistake, through its lawyers and its filings, PG&E has admitted not a single substantive violation of law in the face of thousands of charges of violations of state and federal law," Mayor Ruane said.

San Bruno believes these fines to be reasonable and necessary to ensure an event like this never occurs again given the immense volume of PG&E's documented safety violations uncovered during the course of three separate investigations. These investigations allege tens of millions of daily violations spanning, in many instances, more than 50 years.

If the CPUC were to consider and levy fines based on each violation, as it is obligated to do by law, the range of fines would literally exceed hundreds of billions of dollars.

San Bruno leaders called this a watershed moment for the CPUC. How the Commission sentences PG&E for its fatal misconduct that led to the incineration of a peaceful suburb will determine whether the agency tasked with regulating public utilities is living up to its sworn duty to protect the public – or whether PG&E and its shareholders are actually in charge, at the expense of public safety.

Ruane said even with three separate independent investigations, PG&E has not paid one dime in fines for killing 8 and destroying a neighborhood. "If there is any case for punishing a utility for unprecedented bad behavior, it is this one," he added.

Ruane said shareholders today will learn that PG&E will make \$1 billion in profits this year and has booked solid profits for the three years since the tragic explosion in San Bruno. He called upon the CPUC to demonstrate it is a tough regulator by imposing fines and penalties that will send the message that gross negligence and recklessness will not be tolerated.